



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

November 14, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

**AN ORDINANCE TO EXTEND THE TERM OF PETROLEUM PIPELINE FRANCHISE
ORDINANCE NO. 11,854 GRANTED TO THE UNITED STATES OF AMERICA
(ALL DISTRICTS) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve an amendment to petroleum pipeline franchise Ordinance No. 11,854, granted to the United States of America (USA), to extend the term of the franchise to December 31, 2007.
2. Introduce, waive reading, and place on your Board's agenda for adoption the accompanying ordinance that implements the above recommendation, becoming effective 30 days from adoption thereof.
3. Find that this project is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Class 1 of the Environmental Document reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to extend through December 31, 2007, the term of the petroleum pipeline franchise granted to the USA, in order to provide USA additional time to perform the due diligence necessary to file maps and reports showing the location and footages for USA's pipelines that remain in the highways within the unincorporated areas of the County of Los Angeles (County).

Once USA has provided the maps and reports and verified the pipeline locations and footages, the County can negotiate a renewal of the franchise with USA, which will include all pipelines owned and operated by USA in the unincorporated County areas.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The County Strategic Plan directs that we provide the public with quality service that is beneficial and responsive (Goal 1). The Board's approval and adoption of an ordinance to extend the term of the USA franchise is consistent with this goal.

FISCAL IMPACT/FINANCING

There is no fiscal impact since the existing USA franchise was granted without payment of any franchise fee, except the compliance by USA and its assigns with all the terms and conditions of the franchise and the Los Angeles County Code (Title 16, Div. 3A, Ch. 2).

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In January 1979, your Board granted USA a 25-year petroleum pipeline franchise, which by Ordinance No. 2004-0056F was extended through December 31, 2006.

USA has requested an extension of the franchise to allow additional time to provide the County franchise reports and maps accurately locating USA's pipelines in County highways, in order to request your Board's approval of a new multi-year franchise for USA's active pipelines, and to allow USA to coordinate the disposal of its idle pipelines through approved abandonment or sale.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended Board actions will not impact or adversely affect any current services. The Department of Public Works and Fire Department have reviewed the request and have no objections. County Counsel has reviewed the accompanying ordinance and has approved it as to form.

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ENVIRONMENTAL DOCUMENTATION

The recommended action is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

CONCLUSION

Instruct the Executive Officer, Board of Supervisors, to send conformed copies of this letter and the adopted ordinance to the Department of the Army, Los Angeles District, Corps of Engineers, 915 Wilshire Boulevard, Los Angeles, California 90017, Attention: Ms. Maryanne Ma, and forward conformed copies of this letter and the adopted ordinance to the offices of County Counsel, Department of Public Works, Fire Department, Petrochemical Unit, and the Chief Administrative Office, Real Estate Division, Property Management Section, 222 South Hill Street, 3rd Floor, Los Angeles, California 90012.

Respectfully submitted,



DAVID E. JANSSEN
Chief Administrative Officer

DEJ:WLD
CB:RB:dd

c: County Counsel
Fire Department
Department of Public Works

ANALYSIS

This ordinance extends through December 31, 2007, the term of the proprietary petroleum pipeline franchise granted to the United States of America, by Ordinance No. 11,854, as amended.

RAYMOND G. FORTNER, JR.
County Counsel

By 

GRACE V. CHANG
Senior Deputy County Counsel
Property Division

GVC:gjh

9/29/06 (requested)

10/30/06 (revised)

ORDINANCE NO. _____

An ordinance to extend through December 31, 2007, the term of the proprietary petroleum pipeline franchise granted to the United States of America, by Ordinance No. 11,854, as amended.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Section 1 of Ordinance No. 11,854, as amended, is hereby amended to read as follows:

Section 1. Franchise Term, Grant.

The right, privilege, and franchise is granted to the United States of America ("Franchisee"), and its successors and assigns, through December 31, 20067, to lay or construct, reconstruct, maintain, operate, repair, renew, change the size of, remove, or abandon in place pipes and pipelines for the collection, transportation, and distribution of oil, petroleum, gas, gasoline, or other hydrocarbon substances, wet gas, chemicals, mud, steam, water, waste water, and other liquid substances, excluding any hazardous substances or hazardous waste within the meaning of the "Comprehensive Environmental Response Compensation and Liability Act of 1980," 42 U.S.C. 9601, et seq., and amendments thereto, together with all manholes, valves, cathodic protection systems, appurtenances, and service connections necessary or appropriate for the operation of said pipes or pipelines, including poles, conduits, wires, cables, and other appurtenances and equipment for telegraph or telephone lines or both, necessary or appropriate for the Franchisee's operations, in, under, along, or across any and all

highways now or hereafter dedicated to public use in the unincorporated territory of the County of Los Angeles, State of California.

[PPUSAGCCC]